

DRAFT

Watch Hill Fire District

Watch Hill, R. I. 02891

FINANCE COMMITTEE

Friday, May 23, 2014

9:30 A.M.

Fire Station

222 Watch Hill Road

Watch Hill, RI

A meeting of the Finance Committee of the Watch Hill Fire District was held at the Watch Hill Fire Station at 9:30 a.m., May 23, 2014.

District Council Members present:

Charles S. Whitman III, Moderator

Robert Peacock, Fire Chief

Grant G. Simmons III, Park Commission Chairman

Andrew Parsons, Member at Large

Elizabeth W. Bean, Park Commission

Ann Stevenson, Member at Large

Those participating by Phone:

James T. Beale, Jr., Chairman

Robert C. Murray, Treasurer

Also present were:

Judy Kelley, Fire District Office Manager

Lyn Traver, Fire District Administrative Assistant

Proper notice having been given, the meeting was called to order at 9:30 a.m. by Mr. Beale.

Discussion began with the change in office hours resulting from the Conservancy's ceasing of regular office hours and their plan to eventually move out. There was discussion on the effect on salaries, expenses and reimbursements. Judy Kelley will prepare an estimate of the reimbursements.

General Expenses:

Mr. Beale noted that the Legal and Professional line was over budget. Mr. Simmons advised that this was partly due to the expense related to the force main project for the Merry-go-Round. It was determined that this expense would be moved to Park Commission capital expenditures.

Mr. Whitman asked if the total expenses would be over budget. Mr. Beale responded that it was too soon to tell. There was \$42,000 left to spend but lots of invoices in process.

Mr. Beale asked about the new Condo Association:

- 1. The expenses for 2013-1014,**
- 2. The budget for 2014-2015**
- 3. Where there might be a reduction in Park Commission operation expenses as a result of this new association.**

Mr. Parsons noted that the association has spent \$5,213 this budget year but that there might be other possible expenses related to the creation of the association that had not been billed to the association yet. They plan to budget the same amount for next year, \$10,500, with two-thirds paid by the Fire District and one-third by the Misquamicut Club.

The Condo Association (majority owned by the Watch Hill Fire District) holds the Fort Road Beach properties but the Larkin Lot is owned directly by the Watch Hill Fire District, not by the Condo Association. The parking lot operations will be run by Larkin Road Parking LLC. They will handle the book keeping, insurance, etc. Income from the parking lot is guaranteed by the Misquamicut Club at \$115,000. It is expected to be more than that but any amount over \$115,000 will be used to pay down the \$41,705 owed to the Misquamicut Club who lent this amount to cover closing costs. An annual statement on the cash in/cash out must be made to the Misquamicut Club at the end of the calendar year. Any balance left of the closing cost loan after 5 years must be paid in full. Expenses in the 2014-2015 Fire District budget related to the Condo Association are budgeted at \$7,000 and will be listed in general expenses.

Mr. Parsons suggested that there should be savings to the Fire District on insurance. Mr. Murray said he will review the policies to determine if there are adjustments to be made.

Mr. Murray noted that the flood insurance rates on the bathhouses and the office have increased 25% and 21% respectively. He suggested that by increasing the deductible from \$4,000 to \$10,000 on the bathhouses the Fire District could save \$1,600. Mr. Simmons said the only time an insurance claim was made was during Sandy. The Finance Committee agreed to opt for the higher deductible.

Mr. Beale stated that there were four items to be addressed:

- 1. The additional expenses associated with the Condo Association (\$7,000).**
- 2. The change in salary for the Conservancy personnel**
- 3. Where to put the expenses related to the Main Force for the Merry-Go-Round (Park Commission Capital Expenditures**
- 4. What the new reimbursement rate will be from the Conservancy.**

Fire Department Operations

Mr. Beale asked Chief Peacock to talk about the staffing challenges. Chief Peacock noted that people were not volunteering like they used to and good volunteers were leaving as they get on with their lives, so for every volunteer gained, it seems one is lost. Chief Peacock would like to increase staffing enough to at least have someone at the

firehouse. To do so would cost \$10,000. Chief Peacock also noted that he asked for \$10,000 in incentive pay this past year and only used \$5,000. However, he would like to have the full amount (\$10,000) again in 2014-2015.

Mr. Murray (on the Roberts Foundation board) asked if the Roberts Foundation might fund additional staffing. Mr. Simmons noted that the Roberts Foundation had paid for the additional staffing the first 3 years to prove it was helpful and then expected the Fire District to fund it going forward.

Chief Peacock said another increase would be \$3,000 in the repairs and maintenance budget. He noted that the Fire Department had been over on that line the last few years.

Chief Peacock also asked for an increase of \$1,000 in annual contracts to cover e-dispatch, which would make automatic calls to firefighters when a call comes in.

Chief Peacock said that all other accounts, including the capital budget, were level funded for next year and that the department would be on budget for this year.

Park Commission

Maintenance of Parks and Beaches: there is \$4,000 left to spend.

Garbage Removal Contract will increase 3%.

Maintenance of Piers and Docks: Have only spent \$2,500 of the \$8,000 budget but Mr. Simmons would like the full \$8,000 for next year.

Merry-Go-Round: Mr. Simmons would like \$10,000 for the maintenance of the horses (capital) and \$20,000 for two new horses. He also asked that the Maintenance of Bathhouses and Carousel (Account 304) be increased \$10,000. It was decided not to add that additional \$10,000 to Account 304.

There was discussion of reimbursement from the Improvement Society for the horses' maintenance. While there is a letter of understanding of support and Mr. Simmons will pursue it, no amount will be built into the new budget.

Mr. Murray asked what happens to the old horses when a new one is carved. Mr. Simmons responded that the old horses are now stored but will eventually be displayed, as they are of museum quality. Mr. Murray then asked if maintenance expense would go down as more new horses were used. Mr. Simmons said it might go down a bit but that the horses were heavily used and thus subject to constant wear and tear.

Mr. Simmons said that Personnel (Account 306) would be over by \$8,300 due to the incentives used to keep the workers after Labor Day. Not only did everyone stay but everyone is coming back. It was agreed to budget next year at this year's actual, \$49,000.

Public Restroom Cleaning: This is supposed to be a reimbursement to the Business Association but they have not asked for it in the last several years so it will be removed from the budget.

Napatree Point Programs: Mr. Beale was concerned that the program was significantly over budget. Mr. Simmons said the overages this year related to new projects such as dune grass planting, a dune elevation study, an invasive species study and a lagoon study. He then explained that a Roberts Foundation grant for \$25,000 came in during April but has been allocated to 2014-2015 instead of the current year. An additional \$16,400 is also coming in for this year. For next year the budget should be \$90,000 of which \$30,000 will be reimbursed by the Roberts Foundation and \$30,000 by the Conservancy. It was also noted that should the budget be overspent, the Roberts Foundation would reimburse the amount of the overage.

Mr. Simmons said he had applied to CRMC for a \$100,000 grant. He has been promised \$50,000 so far for on- going studies. This amount will be used over 2 years and should offset some expenses and cover some new programs. The grant money cannot be shown in the budget as income since it is not yet assured.

The salary of the Park Superintendent and his vehicle allowance will remain the same for next year.

Park Commission Capital Improvements – wish list

Fort Road Sea Wall Repair: from the steel bulkhead toward the beach club, 230 feet, \$18,500.

Harbor Sea Wall: Complete an engineering study to determine the best fix for disintegrating seawall, \$12,000.

Harbor: to install back flow preventers to keep the Fort Road parking lot from flooding, \$10,000.

Bathhouse: Downsizing the physical structure and removing some changing rooms, \$20,000. Mr. Beale noted that there was net revenue from the bathhouse of \$40,000 and wondered if this reduction would affect the income. Mr. Simmons said no. Mr. Beale then asked what the level of use was by Watch Hill taxpayers versus the general public. Mr. Simmons said there was very little use by the taxpayers.

Resurfacing Merchants' Parking Lot, \$20,000.

Plimpton/Harbor sidewalk: repair the sidewalk that is sinking, 320 feet, \$20,000.

Mr. Parsons suggested that the Fire District preserve as much cash as possible until spending priorities are finalized vis a vis the long term plan. Mr. Beale agreed that all discretionary spending should be

delayed. The group creating the priorities has yet to meet. Mr. Simmons hopes they can have a meeting prior to the preparation of the final budget for 2014-2015. Mr. Whitman suggested that the capital budget include \$10,000 for horses (discussed earlier), \$10,000 for the back flow preventers, and \$18,500 for the sea wall. The others present agreed.

Mr. Simmons will negotiate with the town to get the Merchant's parking lot resurfaced since they dug it up. He will discuss with John Hall at HOB Yacht electronic key access to the boat owner's parking lot (\$3,000).

Based upon the above discussion, Mr. Beale will get out a preliminary budget next week to be reviewed before the District Council meeting on June 13. He suggested that in order to keep the mil rate at \$0.45, he will have to use some of the prior year's surplus.

There being no further business, the Finance Committee meeting was adjourned at 12:30 p.m.

Respectfully submitted,

Judith H. Kelley
Office Manager